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May 17, 2002

Ex Parte

Marlene Dortch
Secretary
Federal Communications Commission
445 12th H Street, SW, Portals
Washington, DC 20554

RE: Application by Verizon New Jersey for Authorization To Provide In-Region, InterLATA Services in State of New Jersey, Docket No. 02-67 - REDACTED

Dear Ms. Dortch:

This letter responds to AT&T's Ex Parte filed April 26, 2002 on billing issues. Some of AT&T's arguments simply repeat or expand on arguments made by AT&T in its Comments; others are new or repeat arguments in AT&T's Reply Comments to which Verizon has not had an opportunity to respond. As discussed in more detail below, all of AT&T's arguments are without merit.

Consistency with Industry Standards: AT&T repeats its claim, made for the first time in a footnote in its Reply Comments, that Verizon's BOS BDT wholesale bill does not comply with Telcordia's Industry Guidelines because Verizon uses telephone numbers, rather than circuit numbers, as the "'left-hand' field identifiers ('FIDs')" on customer service records ("CSRs") for UNE loops. AT&T Ex Parte at 1; *see also* AT&T Reply Comments at 10, n. 12. AT&T did not raise this issue in the New Jersey Board of Public Utilities' ("BPU's") proceedings on section 271 compliance, in either its Comments or Reply Comments on Verizon's initial application for New Jersey, or in its Comments on Verizon's supplemental application.

In any event, AT&T is confused. The CSR information Verizon provides on the BDT is consistent with the Telcordia BOS BDT guidelines. Consistent with the guidelines, Verizon uses circuit IDs as the left-hand FIDs on CSR records for charges associated with the UNE loop, and telephone numbers as the left hand FIDs on CSR records for charges associated with the directory listings, including listings for UNE loops. If a CLEC account contains both loop and listing charges in the CSR in the billing system, CSR records for both of these charge types will appear on the same BDT. The loop charges on the CSR will be identified by circuit IDs and the

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listing charges will be identified by telephone numbers. Although the BDT guidelines do not require separate accounts for loops and listings, Verizon agreed with AT&T to establish separate listing accounts and to move listing charges from UNE loop accounts to these separate listing accounts. Attachment 1 is an excerpt from the current Telcordia BOS BDT Guidelines. Section 6.19 makes clear that a telephone number (TN) is a valid "left hand FID."

AT&T also argues that, even if Verizon's use of the X99 phrase code is a "company-to-company variation" permitted by industry guidelines, AT&T's system "flags" the BOS BDT bill whenever the code appears for AT&T to perform a manual review. AT&T Ex Parte at 1-2, n. 1. Verizon reviewed AT&T's March and April BOS BDTs and found that, for AT&T's three Billing Account Numbers, over 68,000 phrase codes appeared on the BOS BDTs in those months. Of those phrase codes, the X99 phrase code appeared only three times – well under one one-hundredth of one percent (0.01%) of the time.

Finally, AT&T reiterates its argument that AT&T has been unable to use the BOS BDT to verify its charges because they were improperly formatted. AT&T argues that "[p]rior to February 2002, . . . Verizon did not provide telephone numbers for each charge on the BOS BDT bill." AT&T Ex Parte at 2, n. 2. AT&T is simply wrong. As we explained in our Reply Comments, "Verizon implemented a system enhancement in September 2001 to provide the telephone number for each charge associated with a USOC on the New Jersey BOS BDT bills." McLean/Wierzbicki/Webster Supp. Reply Decl. ¶ 42. Verizon has reviewed all of AT&T's New Jersey BDT files from November 2001 through March 2002. We reviewed over 488,000 records that included USOC-related charges and found that all records contained either a telephone number or a circuit ID.

Erroneous Retail Charges: As Verizon demonstrated in its Reply Comments, AT&T's accounts include approximately ***** vertical features; erroneous rates were found for only about ***** of them – less than one percent – and the total amount of erroneous charges in February on AT&T's bills was ***** less than one percent of AT&T's monthly charges. McLean/Wierzbicki/Webster Supp. Reply Decl. ¶ 51. AT&T attempts to dispute Verizon's demonstration with its claim that, in the sample of February bills that AT&T reviewed, 2.65 percent of the accounts and 2.03 percent of the working telephone numbers on those accounts contained charges for retail services. AT&T further claims that, in a different sample of bills with erroneous retail charges, the erroneous charges constituted 39 percent of the charges billed to those accounts. AT&T's numbers do not contradict the information provided by Verizon.

First, Verizon electronically searched AT&T's February bills for appearances of vertical features, and then determined those that erroneously included the retail charge. As noted above, less than one percent of the vertical features on AT&T's February bills carried an incorrect retail rate. By contrast, AT&T's study was a sample of its February bills, and reported the percent of accounts with a vertical feature carrying a retail rate, not the percent of features on the bills with incorrect rates.

Second, AT&T does not state whether the sample of bills on which it based its 39 percent figure was "accounts" or "working telephone numbers." Assuming the former, even if AT&T is correct that 39 percent of the charges on 2.65 percent of the accounts are incorrect, that means the

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incorrect charges amounted to one percent ($2.65 \times 0.39 = 1.03$) of AT&T's total charges. If the latter (i.e., the sample is working telephone numbers), and if AT&T is correct that 39 percent of the charges on 2.03 percent of working telephone numbers on the accounts are incorrect, the incorrect charges are less than one percent ($2.03 \times 0.39 = 0.79$). This is consistent with Verizon's statement above and in the Reply Comments that the total amount of erroneous charges in February on AT&T's bills was less than one percent of AT&T's monthly charges.

As we previously explained, Verizon has identified the occurrences of these errors for AT&T and other CLECs in New Jersey, and is in the process of correcting the errors and issuing credits. This is not limited only to those claims that AT&T has submitted. In fact, AT&T's own attachment shows that the credit adjustments applied to the sample bills listed exceeded the amount of the claim that AT&T identified.

Competitive Significance: AT&T attempts to argue that the small number of erroneous rates demonstrated above is competitively significant by pointing to the BI-3-03 performance results for June and October 2001. According to AT&T, the BI-3-03 performance measure showed a "lack of parity (as defined by the 'Z' factor in the Carrier-to-Carrier Reports)" where the CLEC performance was two percent or less but higher than the corresponding retail rate. AT&T Ex Parte at 5-6. Verizon has previously explained that this measure is flawed. McLean/Wierzbicki/Webster Reply Decl. ¶ 45; McLean/Wierzbicki/Webster Supp. Reply Decl. ¶ 69. In any event, as the Commission has recognized, statistical significance – which is what the z-score provides – is not the same thing as competitive significance. *See New York 271 Order* ¶ 59; *Pennsylvania 271 Order App. C*, ¶ 8. Moreover, AT&T ignores the fact that for four of the last five months (November, December, February, and March) Verizon's performance for CLECs under this measure has met or exceeded the parity standard for this measure. (We have previously discussed January performance for this measure, *see* McLean/Wierzbicki/Webster Supp. Reply Decl. ¶ 69.)

This ex parte contains proprietary information and has been redacted. A confidential version is also being filed. The twenty-page limit does not apply as set forth in DA 02-718. If you have any questions, please do not hesitate to call me.

Sincerely,

Clint E. Odom/AO

Attachment

cc: A. Johns
S. Pie
J. Miller
R. Tanner

CABS

(Carrier Access Billing System)

Billing Outputs Specifications

**Volume 3
Billing Data Tape**

CSR Print Request Record (40-10-20)

- 6.17 The CSR Print Request record is only produced if other than one printed bill and one printed CSR is desired by the customer. If produced, only one record will be provided per account, following the 40-10-15 (if present) or the 40-10-10 record.
- 6.18 In addition to the common fields, the record contains the Bill Copies and CSR Copies fields that indicate the number of copies of printed bills and CSR's desired by the customer. The information in this record is displayed in the Identification Section of the printed CSR.

CSR Service and Features – FID Record (40-15-05)

- 6.19 A 40-15-05 record is produced for each Service and Features left hand FID present on an account (e.g., ASG, CKL, CKLT, CLF, CLS, CLT, HML, MLG, TN, TSC, TTD, etc.).
- 6.20 The CSR Service and Features Left Hand FID Data record contains information displayed in the Service and Features (S&F) Section of the CSR. In addition to the common fields, this record contains the Service Established Date, Service and Features FID information, and the type and level of pricing plan (if applicable). (R)
The FID field is populated with the left hand FID value, examples of which have (R)
been cited above. FID DATA contains the first 120 characters of information logically related to the left hand FID. This encompasses the data associated with the left hand FID as well as any floating FIDs and associated data. A virgule (i.e., "/") is used to signify the start of a floating FID (e.g., CLS 123456/NC LGCR/PIU 100). The FID Data Continuation Ind, Activity Date and Activity Ind are provided on this record. Local Transport data (LTP), as provided on the Access Service Request (or via conversion), is also displayed.

Note: If a floating FID or any data exceeds the 120th position, the FID Data Continuation Ind is set to a "1" and the information will be presented in a continuous string on a 40-15-15 record (CSR Service and Features FID DATA Continuation), which will immediately follow.

CSR Service and Features Circuit Level Pricing Plan Information (40-15-06)

- 6.21 This record is only produced when circuit level pricing plan information is present. (R)
In addition to the common fields this record provides the EC Circuit ID, the type of plan, the plan ID, the required plan quantity, and a Pseudo Circuit Ind. (R)

CSR Service and Features USOC Data (40-15-10-00, 01)

- 6.22 A CSR Service and Features USOC Data is produced for each USOC displayed in the S&F section of the CSR. When multiple state taxes are present, a 40-15-10 record will be produced for each state. This record will normally follow the 40-15-05 record unless the FID Data Continuation IND on that record has been set to a "1". When this occurs, the 40-15-10 record will follow the 40-15-15 record.